

Message Text

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TAGS: ENRG, TECH, ETRD, AU, UR

SUBJECT: ENERGY: AUSTRIANS DISCUSS OIL, NATURAL

GAS AND URANIUM ENRICHMENT IN MOSCOW

REF: VIENNA 2089 (NOTAL)

1. (BEGIN UNCLASSIFIED) BEGIN SUMMARY: AUSTRIAN TRADE DELEGATION VISITED MOSCOW LAST WEEK. AMONG SUBJECTS DISCUSSED WERE PROSPECTS FOR INCREASED DELIVERIES OF SOVIET CRUDE OIL AND NATURAL GAS, POSSIBLE SOVIET ENRICHMENT OF URANIUM FOR AUSTRIA AND NUMEROUS OTHER SPECIFIC PROJECTS FOR COOPERATION IN TRADE AND TECHNOLOGY. AUSTRIANS INCREASINGLY CONCERNED ABOUT GROWING DEFICIT IN THEIR TRADE WITH SOVIETS. END SUMMARY.

2. TRADE MINISTER STARIBACHER LED AUSTRIAN DELEGATION

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PARTICIPATING IN SIXTH MEETING OF MIXED AUSTRO-SOVIET

COMMISSION IN MOSCOW, MARCH 10-16. TALKS COVERED NUMEROUS PROJECTS IN FIELD OF COMMERCIAL AND SCIENTIFIC COOPERATION. MAJOR AUSTRIAN INTEREST, HOWEVER, WAS PROSPECTS FOR INCREASED SOVIET DELIVERIES OF CRUDE OIL AND NATURAL GAS. AUSTRIANS HAVE BEEN PRESSING SOVIETS FOR PAST FEW YEARS FOR INCREASED DELIVERIES OF SOVIET NATURAL GAS, WHICH ALREADY ACCOUNTS FOR ABOUT 50 PERCENT OF AUSTRIA'S TOTAL CONSUMPTION OF NATURAL GAS. AUSTRIANS ALSO SOUGHT INCREASED SUPPLY OF CRUDE OIL. LAST YEAR, SOVIETS ACTUALLY EXCEEDED CONTRACT COMMITMENT OF 800,000 METRIC TONS OF CRUDE BY ABOUT 200,000 TONS. AUSTRIANS HOPE THEY WILL DO AS WELL OR BETTER THIS YEAR. TRADE MINISTER STARIBACHER, ON RETURN TO VIENNA, CONFIRMED THAT AUSTRIANS DID NOT GET ANY FIRM COMMITMENTS THAT EITHER GAS OR OIL DELIVERIES WILL BE INCREASED, ALTHOUGH STARIBACHER SAID HE WAS "OPTIMISTIC" ABOUT THIS.

3. STARIBACHER ALSO ANNOUNCED THAT BOTH PARTIES HAD AGREES TO ESTABLISH "CONTACT POINTS" IN BOTH CAPITALS FOR FACILITATING TRADE AND ECONOMIC TIES. WE UNDERSTAND THIS WILL NOT ENTAIL SETTING UP ANY NEW OFFICES, BUT RATHER USE OF EXISTING FACILITIES FOR MORE SYSTEMATIC AND EXPEDITIOUS HANDLING OF TRADE CONTACTS.

4. AUSTRIAN DELEGATION SUBMITTED NUMEROUS SPECIFIC PROJECTS FOR SOVIET CONSIDERATION, INCLUDING A PELLATIZER PLANT WHICH WOULD BE SUPPLIED BY THE AUSTRIAN NATIONALIZED STEEL COMPANY VOEST, EQUIPMENT FOR NUCLEAR POWER PLANTS, INDUSTRIAL FURNACES, IRRIGATION EQUIPMENT, FILLING STATION EQUIPMENT AND VARIOUS OTHER PROJECTS. STARIBACHER ALSO INDICATED THAT COOPERATION IN FIELD OF ENVIRONMENTAL POLLUTION DISCUSSED, AS WELL AS POSSIBLE SOVIET ENRICHMENT OF URANIUM FOR AUSTRIA. (END UNCLASSIFIED)

5. (BEGIN LIMITED OFFICIAL USE) BEGIN COMMENT:
AUSTRIANS HAVE BEEN CONCERNED FOR SOME TIME WITH GROWING DEFICIT IN THEIR TRADE WITH SOVIET UNION. WHILE AUSTRIAN IMPORTS FROM USSR ROSE SLIGHTLY LAST LIMITED OFFICIAL USE

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YEAR (FROM 2.6 TO 2.7 BILLION AUSTRIAN SCHILLINGS), AUSTRIAN EXPORTS TO USSR ACTUALLY DECLINED (FROM 2.2 TO 1.8 BILLION AUSTRIAN SCHILLINGS). IF AUSTRIANS DO SUCCEED IN GETTING SIZEABLE INCREASED DELIVERIES OF NATURAL GAS AND CRUDE FROM SOVIET UNION, THIS DEFICIT LIKELY TO WIDEN FURTHER. WE UNDERSTAND THAT THIS PROBLEM WAS MAJOR THEME IN MOSCOW DISCUSSIONS.

6. IT IS WORTHY OF NOTE THAT QUESTION OF POSSIBLE
SOVIET ENRICHMENT OF URANIUM FOR AUSTRIA WAS DISCUSSED.
AUSTRIANS IN DECEMBER OF LAST YEAR CONCLUDED AN
AGREEMENT WITH USAEC FOR URANIUM ENRICHMENT SERVICES
IN CONNECTION WITH FIRST NUCLEAR POWER PLANT IN AUSTRIA
NOW UNDER CONSTRUCTION AND DUE TO BE COMPLETED IN 1976.
WE UNDERSTAND SOVIETS ARE ACTIVELY IN THE MARKET
OFFERING URANIUM ENRICHMENT SERVICES ON ATTRACTIVE TERMS.
PRESUMABLY AUSTRIANS ARE SHOPPING AROUND FOR BEST
AVAILABLE DEAL FOR URANIUM ENRICHMENT IN CONNECTION
WITH SECOND NUCLEAR POWER PROJECT, FOR WHICH BIDS WERE
RECENTLY REQUESTED (SEE REFTTEL). SECOND NUCLEAR PLANT
PLANNED FOR COMPLETION IN 1980. END COMMENT. TRINKA

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